

8/31/77 [1]

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THE WHITE HOUSE
WASHINGTON

August 31, 1977

Bert Lance

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

LETTER FROM AVERELL HARRIMAN

ATTACHED LETTER READS AS FOLLOWS:

cc Lance
C/

Dear Mr. President

THE PRESIDENT HAS SEEN.

I have been heartened by your most thoughtful note. I can report that the doctors tell me I am cured and now advise me to return to my normal active life.

I have been troubled by the attacks on Bert Lance and admire greatly your support of him. As Senator Proxmire said on T.V. yesterday, he is a man of unquestioned moral character. From my contacts with him, I can understand that you need him in your administration.

Pamela joins in our warm regards to you and Mrs. Carter.

Sincerely,

Averell Harriman

August 29, 1977

**Electrostatic Copy Made
for Preservation Purposes**

BIRCHGROVE
ROUTE 100, YORKTOWN HEIGHTS
NEW YORK 10598

Dear Mr. President

I have been heartened
by your most thoughtful
note. I can report that the
doctor tell me I am cured
and now advise me to
return to my normal active
life.

I have been troubled
by the attacks on Bert Lance
and admire greatly your support of him.
As Senator Proxmire said on T.V.
Yesterday, he is a man of
unquestioned moral character.
From my contacts with him, I

BIRCHGROVE
ROUTE 100, YORKTOWN HEIGHTS
NEW YORK 10598

Can understand that you
need him in your admin-
istration.

Paula joins in our
warm regards to Gen & Mrs
Carter.

Sincerely

Abigail Hanin

The President
The White House
Washington D.C.

Aug. 29, 1977

(4)

MEMORANDUM OF INFORMATION FOR THE FILE

DATE 8/31/77

EXECUTIVE
HE
PA5-2
F66-11

LETTER, MEMO, ETC.

TO: Bert Lance
FROM: Rick Hutcheson
SUBJECT: Letter from Averell Harriman
re: his health and Bert Lance

[Large handwritten flourish or signature]

Pres. Handwriting

THE WHITE HOUSE
WASHINGTON

*not
Submitted*

August 25, 1977

MEETING WITH REP. PARREN MITCHELL (D-7-MD)
Wednesday, August 31, 1977
11:00 a.m. (30 minutes)
The Oval Office

From: Frank Moore *F.M.*

I. PURPOSE

To discuss a recent letter from Rep. Mitchell to the President.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Rep. Mitchell is Chairman of the Black Caucus. He was first elected in 1970, and received 94.4% of the vote in 1976. His district is the city of Baltimore; his constituency is 74% black, 37% white collar, and 40% blue collar. Rep. Mitchell is Chairman of the Domestic Monetary Policy Subcommittee of the Banking, Finance and Urban Affairs Committee and Chairman of the Human Resources Task Force of the Budget Committee. This meeting was called at the President's request because of the attached letter. Rep. Mitchell would also like to discuss the following: the possibility of the President's scheduling meetings (over the course of the next year) in the black community to maximize the President's achievement and communications with the black community; and the request that the President appoint someone in the White House to handle minority affairs (as indicated in page 2 of his letter).

Participants: The President, Rep. Mitchell, Frank Moore, and Valerie Pinson.

Press Plan: White House photographer only.

THE WHITE HOUSE
WASHINGTON

August 31, 1977

Hamilton Jordan -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Federal Deposit Insurance
Corporation

cc: Jim King

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 30, 1977

MEMORANDUM TO THE PRESIDENT

FROM: HAMILTON JORDAN *HJ*

SUBJECT: Federal Deposit Insurance Corporation
(PAS, Level IV)

The Federal Deposit Insurance Corporation is an independent agency managed by a three-member Board of Directors. One of the Directors is the Comptroller of the Currency (ex officio); the other two Directors are appointed by the President and confirmed by the Senate for six year terms. There exists a vacancy on the Board due to the resignation of a Director. Since the Comptroller and the incumbent Director, George LaMaistre, are Democrats, this appointment must be a non-Democrat.

For this appointment I suggest the appointment of William Isaac, of Kentucky. Isaac is the Vice President, General Counsel, and Secretary for the First Kentucky National Corporation of Louisville. As General Counsel of First Kentucky, and as an attorney with Foley & Lardner (of Wisconsin), he has specialized in banking law, particularly regulatory compliance matters. In addition, the group from Kentucky with whom you met last week on the Panama Canal had nothing but the highest words of praise for Isaac. His experience shows him as an attorney with an extensive knowledge of banking matters -- not as a banker. I expect that he would be an effective regulator of the banks covered by the Federal Deposit Insurance Corporation.

RECOMMENDATION:

Appoint William Isaac as a Director, Federal Deposit Insurance Corporation

✓ Approve Disapprove

HJ

COMMENTS ON WILLIAM M. ISAAC

Herky Harris, OMB, Congressional Relations

I personally know Bill Isaac to be a very competent Bank Holding Company Attorney. Isaac is very bright, and he would be great for Republican slot at FDIC.

Tracey Farmer, Chairman, National Bank of Cynthiana (Kentucky)

Bill is a very knowledgeable attorney particularly in the holding company area. As general counsel, he handles most of the corporate affairs, and deals extensively with the Federal Reserve, FDIC, and other agencies. He knows and works well with all the top bankers in the state. He has the highest integrity.

David Grissom, Chairman and Chief Executive Officer, Citizens Fidelity Corporation

I have known him since he came to First National. He is thorough, bright, intelligent, and very professional. Isaac has exhibited a broad grasp of the issues and regulations with which the FDIC is concerned. I feel he is quite qualified for the job.

Don Handley, First VP, Citizens and Southern Bank, Atlanta

Isaac has an in-depth knowledge of the banking field and its regulations and would be well-qualified for the slot at the FDIC. He is a lawyer by education and a banker by trade. I have a high regard for his professionalism.

RESUME

WILLIAM M. ISAAC

CURRENT POSITION:

Vice President, General Counsel & Secretary since August 1974 for First Kentucky National Corporation and its subsidiaries, First National Bank of Louisville, First Kentucky Trust Company, First Kentucky Investment Advisors, Inc., and Churchill Mortgage Corporation. Responsible for legal department; corporate secretary's function including director and shareholder meetings and regulatory reporting; investor relations including all shareholder and other financial reports, presentations and relations; and governmental relations and affairs.

PREVIOUS POSITION:

Attorney with largest law firm in Wisconsin, Foley & Lardner, from 1969 to 1974. General corporate practice specializing in banking law (primarily regulatory compliance including securities matters, acquisitions and branching) and antitrust law.

ARTICLES AND PROFESSIONAL MEMBERSHIPS:

Member of Kentucky, Wisconsin and American Bar Associations and A.B.A. Sections on Antitrust Law; Corporation, Banking and Business Law; and International Law. Member of Lawyers' Committee of Association of Bank Holding Companies. Author: "Bank Capitalization", Mid-Western Banker (August 1973); "Loan Participations and the Securities Laws", The Journal of Commercial Bank Lending (October 1975). Co-author: Bank Holding Companies: A Practical Guide to Bank Acquisitions and Mergers, Association of Bank Holding Companies (1976). Contributor to: The Commissioner's Manual for State Banks, published in 1975 by the Wisconsin Commissioner of Banking. Frequent lecturer on various banking and bank holding company topics.

EDUCATION:

Law School

School: The Ohio State University

Graduation: June 1969

Juris Doctor, Summa Cum Laude

Honors: Board of Editors of Law Journal; Order of Coif;
Donald S. Teller Award for Outstanding Writer on
Law Journal; Frank R. Strong Award for Excellence
in Constitutional Law; Eight American Jurispru-
dence Awards for Outstanding Achievement in
Various Subjects.

Undergraduate

School: Miami Univerity
Oxford, Ohio.

Graduation: June 1966
B.S. in Business Administration
(Economics)

High School

School: Bryan High School
Bryan, Ohio

Graduation: June 1961

PERSONAL:

Address: 7204 Shefford Lane, Louisville, Kentucky 40222 (Home)
3700 First National Tower, Louisville, Kentucky 40202 (Of

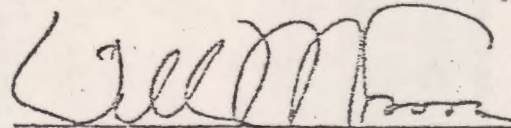
Phone: (502) 425-0585 (Home)
(502) 581-4498 (Office)

Place and Date of Birth: Bryan, Ohio, December 21, 1943

Martial Status: Wife (Carma) and two children (David, 6, and
Stephanie, 2 1/2)

Health: Excellent

Height and Weight: 5' 10", 170 lbs.



William M. Isaac
April 11, 1977

THE WHITE HOUSE
WASHINGTON

August 31, 1977

Hamilton Jordan -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Railroad Retirement Board
Chairman -

cc: Jim King

THE WHITE HOUSE
WASHINGTON

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<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
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<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

B

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<input type="checkbox"/>	BUTLER
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<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
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<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 30, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ*

SUBJECT: Railroad Retirement Board, Chairman
(PAS, Level III)

The Railroad Retirement Board, established by Congress in 1935, administers the social insurance and pension plans for railroad workers and their families. It is headed by a three member board, with one labor representative, one management representative, and the Chairman, representing the public interest. Earlier in the year you appointed both the labor and the management representatives. Now, at the end of this month, the five year term of the incumbent Chairman expires.

The Railroad Retirement Board (RRB), similar to other social insurance and pension programs, is facing financial difficulties. It has a dwindling work force of about half a million workers and an expanding number of beneficiaries now in excess of one million recipients.

Unlike other social insurance and pension programs, Congress has never been reluctant in the past to supplement payments into the fund with appropriations from the General Fund. Because of the successes of the past, both labor and management are content to allow Congress to make up the difference between payments into the fund and benefits paid out of the fund, and in fact, they have come to accept it as a standard operating procedure.

The Domestic Council and OMB are both in agreement that the areas covered by the Railroad Retirement Board should be viewed in the context of all other social insurance and retirement plans. Long range plans now do include the reorganization of the Railroad Retirement Board, although OMB does not want you to hold off on the appointment of the Chairman.

In the absence of any specific plan for the reorganization of the Railroad Retirement Board, your appointment of a Chairman should be someone who can be an effective liaison between labor,

management, and Congress, and also be someone who will not view the RRB as an isolated agency but as one part of a series of federal social insurance and pension plans.

I recommend that you appoint William Adams, of Springfield, Virginia. Adams is widely respected in the Congress, where he is considered a top expert on railroad legislation. He is also widely respected by railroad labor and management people, who consider him knowledgeable, fair, and neutral. More importantly, he has raised the problems resulting from the increasing reliance upon the General Fund in order to meet its payments, and he has begun to explore ways to reduce these pressures. Attached are several strong comments in support of Adams.

Regardless of who you tentatively decide to appoint as Chairman of the Railroad Retirement Board, we will be certain to alert the prospective appointee to the plans for potential re-organization and establish his support of these plans.

RECOMMENDATION :

Appoint William Adams as Chairman, Railroad Retirement Board

✓ Approve Disapprove

Be sure he will be with
us on minimizing public
funding

Comments of Congressman Fred Rooney, Chairman, Subcommittee on Transportation and Commerce.

I have known him since 1963. As Chairman, I relied heavily on his ability to render professional service of the highest order with tact and good judgment. Mr. Adams was deeply involved in transportation legislation which during this period included the Regional Rail Reorganization Act of 1973, the Railroad Revitalization and Regulatory Reform Act of 1976, the Railroad Retirement Act of 1974, and other related railroad legislation. Be assured that he has an in-depth knowledge of railroad retirement matters as a result of his experience. In my opinion, President Carter would be acclaimed for making the excellent choice of Mr. Adams for nomination to this position.

Comments of Brock Adams, Secretary of Transportation.

I strongly recommend Bill Adams for appointment as Chairman. He is a man of the highest personal integrity and dedicated to public service. I think it is to his credit that he would consider giving up a well-paid job in the private sector to seek the difficult and thankless job of Chairman of the Railroad Retirement Board. The Railroad Retirement Act is enormously complex, and I think Bill Adams' skills as a lawyer will be a major asset to the Board. He is well known and widely respected by Members of Congress and, if amendments to the Act are needed to insure the financial soundness of the Railroad Retirement Fund, he would have the confidence of the Committees which would consider these changes.

Comments of Jack Valenti, President, Motion Picture Association of America.

I hired him and am very high on him. Bill is a very able, qualified man: he is thorough, objective and knowledgeable, and a good administrator. He works well with diverse kinds of people.

Comments of W. E. Williamson, Chief Clerk and Staff Director, House Interstate and Foreign Commerce Committee.

I recommend him without reservation. He is very knowledgeable and through his years on the Legislative Committee sees the broad picture. He is the kind of person that if he does not have the solution, would get advice and suggestions. I do not think anyone can make the unions and management seek another funding solution besides getting money from the General Fund. However, if anyone can do it, it will be Bill Adams.

Comments of Jim Menger, Attorney in Private Practice.

An excellent choice. I have known him over twenty years as a colleague and friend. He has complete integrity; is very conscientious and hard working. Bill is a very skilled lobbyist. He will represent the public interest well.

Comments of Charles Curtis, Chairman of the Federal Power Commission.

I have absolutely no reservations in recommending him. He is able to work in controversial areas without being seen as acquiring a bias. He can speak the technical language of the RRB legislation and can explain to labor and management why they should seek alternative funding sources without being seen as biased.

WILLIAM PERRY ADAMS

Springfield, Virginia

PROFESSIONAL EXPERIENCE

January 1977 - Present	Vice President, Motion Picture Association of America, Inc.
1974 - 1976	Counsel, Committee on Interstate and Foreign Commerce, House of Representatives
1955 - 1974	Assistant Counsel, Office of Legislative Counsel
1952 - 1955	Clerk, Senate Disbursing Office
1950 - 1952	Clerk, Office of the Senate Sergeant-at-Arms
1949 - 1950	Clerk, Senator Scott W. Lucas
1944 - 1949	Various positions - Chicago and Eastern Railroad

EDUCATION

1949	B.A., Michigan State University
1953	J.D., Georgetown University

PERSONAL

Democrat
White Male

THE WHITE HOUSE
WASHINGTON

August 31, 1977

Hamilton Jordan -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: National Commission on
Employment & Unemployment
Statistics

cc: Jim King

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN.

August 30, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ*
SUBJECT: National Commission on Employment and
Unemployment Statistics WAE-PAS

The National Commission on Employment and Unemployment Statistics was created by Congress in October 1976. The Commission is authorized to study the methods and procedures for collecting, analyzing and presenting labor statistics, and it may conduct studies and hearings for that purpose.

The Commission will report its findings to the President and to Congress within 18 months after the first five members are appointed. It will cease to exist at the end of the second year.

The Commission is made up of nine members. The chairman, Sar Levitan, was selected in early April and has already been confirmed by the Senate.

Secretary Marshall's office worked closely with the Presidential Personnel Office and the Domestic Council in the preparation of candidates. In addition, Pat Caddell has seen the list of candidates and he endorses their appointments.

RECOMMENDATION:

Appoint all eight to the National Commission on Employment and Unemployment Statistics

☒ Approve ☐ Disapprove

HC

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RECOMMENDED SLATE:

Bernard E. Anderson, The Wharton School, University of
Pennsylvania

Glen C. Cain, University of Wisconsin

Rudolph A. Oswald, Director of Research, AFL-CIO

Mitchell Sviridoff, Vice President, The Ford Foundation

Joan L. Wills, Director Employment and Vocational
Training, National Governor's Conference

Jack W. Carlson, Vice President and Chief Economist,
U. S. Chamber of Commerce

Michael H. Moskow, consultant, Committee for Economic
Development

Samuel L. Popkin, Department of Political Science,
University of California at San Diego

BERNARD E. ANDERSON

RESUME

BERNARD E ANDERSON, The Wharton School, 321 Vance Hall, 3733 Spruce Street, Philadelphia, Pennsylvania 19104

Present Position:

Associate Professor of Industry, The Wharton School, University of Pennsylvania

Employment Experience: January 1969 to Present

Lecturer to Associate Professor (with tenure), Department of Management, The Wharton School, University of Pennsylvania.
Also, Lecturer in Economics, Swarthmore College, Swarthmore, Pennsylvania, 1970-72.

July 1961 to August 1965

Economist, U.S. Bureau of Labor Statistics, Washington, D.C.

Educational Background:

Bachelor of Arts (With Highest Honor), Livingstone College, Salisbury North Carolina, 1959. Major: Economics and History.

Master of Arts, Michigan State University, East Lansing, Michigan, 1961. Major: Economics (Industrial Relations Concentration)

Doctor of Philosophy, University of Pennsylvania, Philadelphia, Pennsylvania, May 1970.

Major: Business and Applied Economics (Industrial Relations)

Dissertation: The Negro in the Public Utility Industries: An Investigation into the Development and Implementation of Racial Employment Policy.

Awards and Honors:

Four year academic scholarship, Livingstone College.

Two year graduate assistantship, Michigan State University
University Fellowship, 1965-1966, University of Pennsylvania.

Industrial Relations Fellowship, 1966-1968, University of Pennsylvania.

Elected to Who's Who Among Students in American Colleges and Universities, 1958 and 1959.

Professional Memberships:

American Economic Association

Industrial Relations Research Association (Member, Executive Board)

Military Service: December 1961 to December 1963

Assignment: Intelligence Specialist, National Military Command
System Support Center, The Pentagon, Washington, D.C.
Received an honorable discharge with good conduct medal.

Selected Publications:

Books

1. The Impact of Government Manpower Programs (co-author),
(University of Pennsylvania Press, 1975).
2. The Opportunities Industrialization Centers: A Decade of
Community Based Manpower Services, Manpower and Human Resources
Studies No. 6 (Industrial Research Unit, The Wharton School,
University of Pennsylvania, 1977).
3. Negro Employment in Public Utilities, (University of Pennsylvania
Press, 1970).

Articles

1. "Equal Opportunity and Black Employment in the Telephone Industry,"
in P. Wallace, (ed.) New Perspectives on Equal Employment Opportunity:
The ATT Case (Cambridge: MIT Press, 1975).
2. "The Economic Impact of Manpower Programs on Minorities and Women,"
in R. Campbell and J. Picour, (ed) The Career Behavior of Special
Groups (Merrill Publishers, 1974).
3. "Full Employment and Economic Equality" The Annals of the American
Academy of Political and Social Science, March 1975.
4. "Public Policy and Black Economic Progress: A Review of the Evidence
(with P. Wallace), American Economic Review, May 1975.

Current Research: Estimating the Employment Effects of a National Energy Policy

Professional and Public Service:

Member, Editorial Board, Journal of Multi-Cultural Education.

Member, Board of Directors, Philadelphia Urban League.

Chairman-Elect, National Council on Employment Policy.

References:

Personal references available upon request.

GLEN C. CAIN

VITA

Glen G. Cain

BORN: November 24, 1933

EDUCATION: B.A., Lake Forest College (Economics), 1955
M.A., University of California, Berkeley (Economics), 1957
Ph.D., University of Chicago (Economics), 1964

EXPERIENCE:

- 1963- Assistant Professor--Professor, University of Wisconsin
- 1975 Instructor, Summer Institute in Evaluation Research, University of Massachusetts
- 1970-1971 Visiting Research Fellow, Office of Population Research, Princeton University, (on leave)
- 1966-1967 Economist in the Research Division of the Office of Economic Opportunity (on leave)
- 1958-1960 Associate Economist, Federal Reserve Bank of Chicago

PROFESSIONAL POSITIONS:

1. Editor, Journal of Human Resources, 1973-1975.
Associate Editor, Journal of Human Resources, 1968-1971, 1976-.
2. Board of Editors, Social Science Research, 1971-.
3. Member, National Manpower Policies Task Force Associates, U.S. Department of Labor, 1968-1970, 1972-1973.
4. Member, Advisory Committee on Problems of Census Enumeration, National Research Council, 1968-1970.
5. Labor Department, Small Grants Review Panel, 1969-.
6. Consultant: Mathematica, Inc., 1970-.
National Planning Association, 1974-75.
National Research Council, Committee on Department of Labor Manpower Research, 1974-75.
National Institute of Health, Division of Manpower Intelligence, Bureau of Health Manpower Education, 1973-74.
General Accounting Office, 1972-74.
RAND Corporation, 1971-72.
7. Member, National Council on Employment Policy, 1976-.

ICATIONS:

Books:

Income Maintenance and Labor Supply: Econometric Studies, Institute for Research on Poverty Monograph Series, Markham Press, Chicago 1973 (edited with Harold Watts). (Two chapters of this book, written by the editors, appear in Studies in Public Welfare, Paper No. 13, the Joint Economic Committee, 93rd Congress, GPO, Washington, 1974.)

Labor Market Analysis of Engineers and Technical Workers, The John Hopkins University Press, Baltimore, Md., 1973 (with R. B. Freeman and W. L. Hansen).

Married Women in the Labor Force, University of Chicago Press, Chicago, 1966.

Articles:

"The Labor Supply Response of Married Women, Husband Present [in the Graduate Work Incentive Experiment]," (with three co-authors), in Labor-Supply Responses. The New Jersey Income Maintenance Experiment, Vol. 2, eds. Watts and Rees, Academic Press, N.Y., 1977, pp. 115-162; a shorter version is in The Journal of Human Resources, Spring, 1974, pp. 201-222.

"A Reanalysis of the Effect of Head Start on Cognitive Development: Methodology and Empirical Findings," The Journal of Human Resources, Spring 1977, (with Burt S. Barnow), pp. 177-197.

"Statistical Theories of Discrimination in the Labor Market," The Industrial and Labor Relations Review, January, 1977 (with Dennis J. Aigner), pp. 175-1

"The Challenge of Segmented Labor Market Theories to Orthodox Theory," The Journal of Economic Literature, December, 1976, pp. 1215-1257. (A shorter version of this paper is in American Economic Review, May, 1975, pp. 16-22.)

"The Labor Force," University Programs Modular Studies, General Learnings Press, 1976; also an earlier version in Encyclopedia of Social Work, Sixteen Issue, Vol. 1, National Association of Social Workers, Inc., 1971, pp. 693-

"Estimation of a Model of Labor Supply, Fertility, and Wages of Married Women," The Journal of Political Economy, August, 1976 (with Martin D. Dool), pp. 179-199.

"Regression and Selection Models to Improve Nonexperimental Comparisons," in C. A. Bennett and A. A. Lumadaine, eds., Evaluation and Experiment, Academic Press, N.Y., 1975, pp. 297-317.

"Socioeconomic Background and Achievement: A Review Article," The American Journal of Sociology, May 1974, pp. 1497-1509.

"Economic Determinants of Fertility: Results from Cross-Sectional Aggregate Data," Demography, May 1973 (with Adriana Weininger), pp. 205-223.

"The Effect of Income Maintenance Laws on Fertility in the United States," Population Distribution and Policy, Vol. V, Commission on Population Growth and the American Future, 1973, eds., C. F. Westoff and R. Parke, Jr., pp. 323-373.

"Issues in the Economics of a Population Policy for the United States," American Economic Review, May 1971, pp. 408-417.

"The Family Assistance Plan: An Analysis and Evaluation," Public Policy, Vol. XIX, N. 2 (Spring 1971), (with D. Lee Bawden and L. J. Hausman), pp. 323-354.

"Experimental Income Maintenance Programs to Assess the Effect on Fertility," in L. L. Orr, et al., Income Maintenance: Interdisciplinary Approaches to Research, Markham Publishing Co., Chicago, 1971, pp. 126-137.

"Problems in Making Policy Inferences from the Coleman Report," American Sociological Review, April 1970, pp. 228-242. (Reprinted in the Bobbs-Merrill Series in Economics. Also reprinted in other books.) (With Harold Watts.)

"The Methodology of Evaluating Social Action Programs," in Public-Private Manpower Policies, eds., F. H. Cassell, W. Ginsburg, and A. R. Weber, IRRA, University of Wisconsin, Madison, Wisconsin, 1969. Also in Cost-Benefit Analysis: Proceedings of a North America Conference, eds., G. G. Somers and W. D. Wood, Industrial Relations Center, Queens University, Kingston, Ontario, 1969, pp. 119-151. Also reprinted in other books. (With Robinson G. Hollister)

"An Economic Evaluation of Government Retraining Programs in West Virginia," in Retraining the Unemployed, ed., Gerald Somers, (University of Wisconsin Press, 1968), pp. 299-335 (with Ernst Stromsdorfer).

"Classification of Occupations: Some Problems of Economic Interpretation," Monthly Labor Review, Vol. 90, No. 2, February 1967, pp. 48-52; also in Proceedings of the Social Sciences Section of the American Statistical Association Meetings, 1966, pp. 199-203 (with W. L. Hansen and B. A. Weisbrod)

"Unemployment and the Labor Force Participation of Secondary Workers," Industrial and Labor Relations Review, January 1967, Vol. XX, No. 2, pp. 275-297.

"Occupational Assimilation and the Competitive Process: A Re-Analysis," The American Journal of Sociology, Vol. 72, No. 3, November 1966, pp. 273-285 (with Alma Taeuber and Karl Taeuber).

"Unionized Engineers and Chemists: A Case Study of a Professional Union," The Journal of Business, July 1964 (with Joel Seidman).

Notes, Comments, and Reviews:

Review of Social Indicator Models (by Land and Spilerman), American Journal Sociology, November, 1976, pp. 733-738.

"Comments on Evaluating the Office of Federal Contract Compliance," Industrial and Labor Relations Review, July, 1976, pp. 572-575.

"Comment" on "Economics of the Size of North Carolina Rural Families," The Journal of Political Economy, Vol. 81, No. 2, Part II, March/April 1973, pp. 123-127; reprinted in The Economics of the Family: Marriage, Children, and Human Capital, ed., T. W. Schultz, University of Chicago Press, 1974, pp. 184-188.

Review of Economic Aspects of Manpower Training Programs (by Hamermesh), Industrial and Labor Relations Review, April 1973, pp. 1038-1040.

Review of The Economic Benefits and Costs of Retraining (by Hardin and Borus), Journal of Economic Literature, December 1972, pp. 1260-1262.

"Secondary Labor Market Effects of Manpower Programs: Comment," in Evaluating the Impact of Manpower Programs, eds., M. E. Borus, D. C. Heath & Co., Boston 1972, pp. 245-251.

"Urban Poverty and Labor Force Participation: Comment," American Economic Review, March 1969, pp. 185-194 (with Jacob Mincer).

"The Controversy About the Coleman Report: Comment," The Journal of Human Resources, Vol. 3, No. 3, Summer 1968 (with Harold Watts), pp. 389-392.

UNPUBLISHED PAPERS:

"Determinants of the Level and Composition of Labor Supply," presented at a conference on Structural Determinants of Employment and Unemployment, OECD, Paris, March, 1977.

"Fertility Behavior [in the New Jersey-Pennsylvania Graduated Work Incentive Experiment]," to appear in Expenditures, Health, and Social Behavior; and the Quality of the Evidence. The New Jersey Income Maintenance Experiment, vol. 3, eds., Watts and Rees, Academic Press, N.Y., 1977.

"Attrition in the Rural Negative Income Tax Experiment," to appear in a book scheduled for 1977 (with Steven G. Garber).

"Population Change and Economic Welfare," Working Paper 72-29 of the Center for Demography and Ecology; also available in Notes and Comments series of the Institute for Research on Poverty. (Paper delivered at the meetings of the Population Association of America, 1971.)

"Interpreting the Results of Short-Duration Income Maintenance Experiments: An Investigation of Biases in Predicting Long-Run Behavior" (with Charles Metcalf), Institute for Research on Poverty Discussion Paper No. 150-72.

"Benefit/Cost Study of Job Corps," Institute for Research on Poverty Discussion Paper No. 9-68, University of Wisconsin. Also available from ERIC Document Reproduction Service, #ED 037 495.

CURRENT RESEARCH:

1. Revision of book: Married Women in the Labor Force.
2. Evaluation research of social action programs.

RECENT TEACHING ASSIGNMENTS:

Economics 310:	"Measurement in Economics"
Economics 750:	"Labor Economics"
Economics 956-57:	"Workshop in Wages and the Labor Markets"
Industrial Relations 704:	"Research Methodology"

RECENT COMMITTEE ASSIGNMENTS:

Admissions and Aid (Economics).
Publications Committee (Institute for Research on Poverty).

RUDOLPH A. OSWALD

BIOGRAPHICAL SKETCH

Name: Rudolph A. Oswald

Address: 11804 Devilwood Drive, Potomac, Maryland (home)
815 16th Street, N.W., Washington, D.C. (work)

Telephone 637-5160 (work) 762-7276 (home)

Education: B.A. Holy Cross College -- 1954
M.S. University of Wisconsin -- 1958
Ph. D. (Economics) Georgetown University -- 1965
Fulbright Scholarship University of Munich

Current Position: Director, Department of Research -- AFL-CIO
1976 -

Past Special Assignments: Chairman, Labor Research Advisory Committee
to the Bureau of Labor Statistics;
Chairman, Labor Research Advisory Committee
to the Office of Management and Budget;
Member of the Federal Employees Pay Council;
Member of the American Statistical Association
Advisory Committee to the Bureau of the Census
Member of the Sheltered Workshop Advisory
Committee to Wage and Hour Administrator,
Department of Labor;
Member of the Board of Directors, National
Industries for the Blind

Former Positions: Assistant Director Department of Education,
AFL-CIO -- 1975-1976
Director of Research, Service Employees
International Union -- 1972-1975
Economist, AFL-CIO Department of Research --
1963-1972
Research and Education Director, International
Association of Fire Fighters -- 1959-1963

Professional Organizations: American Economic Association
American Statistical Association
Industrial Relations Research Association
National Bureau of Economic Research

MITCHELL SVIRIDOFF

MITCHELL SVIRIDOFF

Vice President
The Ford Foundation
Division of National Affairs

Date of birth: November 4, 1918

Ford Foundation
New York, N. Y.

Vice President 1967-

Human Resources Administration
New York City

Administrator 1966-67

Human Resources Study
New York City

Study Director 1966

Community Progress, Inc.
New Haven, Connecticut

Executive Director 1962-66

Latin American AID Program

Special Assistant;
Administrator 1961-62

AFL-CIO
Connecticut

President 1947-61

United Auto Workers Union
Connecticut

Director 1946-61

JOAN L. WILLS

Joan L. Wills
16 S. 36th Street
lington, Virginia 22206

Office: 202/624-5355
Home: 703-671-1259

EDUCATION:

- 1958 - Gaston High School, Gaston, Indiana
- 1963 - Franklin College, Franklin, Indiana - B.A. Sociology
- 1967 - Ohio State University - M.S.W., Community Organization

WORK EXPERIENCE:

- 1976 - Present: Director, National Governors' Conference - Employment and Vocational Training Program

A liaison between Governors and the Congress, the Administration and selected national associations on issues dealing with employment and vocational training.

Specifically, the duties include policy development and communication of comments and recommendations on federal regulations and legislation managing seminars and research projects. Also responsible for providing analyses of various actions taken by States in implementing their employment and vocational training programs and for providing analyses and assessments of actions taken by the federal government which affect the States.

- 1974 - 1976 - Director, Governor's Office of Manpower and Human Development, State of Illinois

Responsible for the implementation of the Comprehensive Employment and Training Act program in the State of Illinois, as well as the State Economic Opportunity Program. Also responsible for supervision of staff to the Governor's Committee on the Handicapped and the State Advisory Council on Vocational Education.

Major activities included staff to the Governor's Advisory Council on Manpower, which has responsibility for establishing statewide manpower policies, priorities and objectives, including recommendations for the reorganization of manpower related state agencies, boards, commissions and advisory groups; adoption of state plans and long range plans of action; and modification of state regulations or procedures affecting manpower utilization; recommending appropriate legislation to the Governor; coordinating the activities and goals of manpower-related agencies; and, manage the regional Balance of State program.

- 1971 - 1974 - Special Assistant to Director, Bureau of the Budget, State of Illinois

Projects included lead responsibilities ranged from analyzing energy resources of the state to assuming the responsibility for developing alternative funding mechanisms for adult basic education programs for welfare recipients; developing new delivery systems for WIN in Chicago and Cook County; reorganizing the Governor's Office of Manpower Planning and Development of the State Affirmative Action Program

- 1967 - State Economic Opportunity Director, Department of Economic and Community Development, State of Ohio.

Responsible for the activities of the anti-poverty program, Model Cities coordinating program, Title VIII HUD Training, and 701 Planning Programs. Initiated a joint project with State Department of Health to mutually develop legislative, administrative, financial and common program goals in order to clearly define role of state government in the delivery of health services to the poor.

Had lead responsibility for project conducted by Governor's office which inventoried all state and federal legislation as it related to human resource planning and programming; purpose was to recommend to Governor and his cabinet methods for better utilization of both state and federal money.

- 1971 - Columbus Metropolitan Community Action Organization
315 East Long Street, Columbus, Ohio 43215

In 1967 - Director of Summer Program. 1967 - 1968 Research and Evaluation Officer.

1968 - 1971 Director of Operations. Responsible for operations of eight neighborhood center, agency liaison with delegate agencies; including Legal Aid, Planned Parenthood, public schools, day-care center, Model Cities; also responsible for program development, including manpower training, health, senior citizens, youth programs.

During that time, at the request of the Mayor of Columbus, Ohio assisted the city in restructuring its citizens' participation unit of the Model Cities Program.

Established a computerized system for data information. Developed a management by objectives system for the 10 million dollar agency.

Programs written during employment at CMACAO were for the Department of Labor, HEW, OEO, Model Cities, and private foundations.

Also responsible for acting in behalf of the Executive Director in his absence, and the staffing of key Board committees.

- 1965 - United Community Council 137 East State Street, Columbus, Ohio 43215

Assistant Director of Research. Responsible for statistical and empirical research in social service field. Had lead staff responsibility for project which evaluated the staff needs and salary structure of all the agencies requiring funds from United Appeal in the county.

OTHER RELATED EXPERIENCE:

Consultant work for OEO funded programs at local and federal level - Plan Parenthood, Urban League

Paper delivered and published for American Congress of Rehabilitation concerning the role of health services to the poor.

Secretary of National Association of State Economic Opportunities Director in 1972 - 73 and 1975 - 76.

COMMUNITY ACTIVITIES:

Board member of League of Women Voters; Chairman of both Program Committee and Public Welfare Committee

Urban Task Force for Episcopal Church, Columbus, Ohio

United Community Council Public Welfare Committee, Columbus, Ohio

United Appeal Budget Committee, Columbus, Ohio

Board Member, League of Women Voters

AWARDS

1972 Columbus Metropolitan Area Community Action Agency - Award for Outstanding service to Community

1975 Illinois Migrant Council, Awarded for support of programs for farmworkers

1976 Selected as one of the Outstanding Young Women of America

1976 Award from Illinois Advisory Council on Vocational Education

JACK W. CARLSON

Chamber of Commerce of the United States of America

Washington

DR. JACK W. CARLSON

Vice President and Chief Economist
Chamber of Commerce of the United States

BUSINESS

President of Carlson Associates, a small company which builds, invests, and manages small shopping centers, commercial and apartment buildings, and restores old buildings. (1957-Present)

Consultant to financial, utility, manufacturing and research organizations. (1955-present)

EDUCATION:

Fellow, Harvard University, 1968.

Ph.D. (Economics) Harvard University, 1963.

M.P.A. (Public Administration), Harvard University, 1962.

M.B.A. (Business Administration), University of Utah, 1957.

B.S. (History), University of Utah (Student body president), 1955.

PUBLIC ADMINISTRATION

EXPERIENCE

National:

- o Assistant Secretary of Interior for energy and minerals and member of the President's Energy Resources Council (1974-76), responsible for energy, mineral and electric power supply policies for the United States.
- o Deputy member of the President's Cost of Living Council, which was established to set policy for wage, price and rent controls (1971-74).
- o Assistant to the Director of Office of Management and Budget (1971-74) in charge of federal economic forecasting and program planning and coordinator of all tax, credit and regulatory policy changes.
- o Assistant Director of the U. S. Bureau of the Budget (1968-71), in charge of evaluating all federal programs.
- o Senior Staff Economist, President's Council of Economic Advisers (1966-68).
- o Assistant to the Secretaries of Defense and the Air Force (1964-66) as adviser on defense policy.
- o Air Force officer and senior pilot (1957-66).
- o Unsuccessful candidate for the United States Senate, (Utah) 1976

International:

- o Chairman of U. S. delegation to World Petroleum Congress, Tokyo.
- o Assistant Secretary of U. S. Department of Interior for Energy & Minerals, responsible for mineral attaches in key countries.
- o Chairman, Vice Chairman and member of the Senior Economic Advisers to the Economic Commission of Europe, United Nations (1966-73), responsible for overseeing U. N. staff as well as international economic policy among industrialized countries.

- o Chairman of U. S. delegation to Central Treaty Organization, Tehran, Iran, 1971.
- o Adviser to the national governments of several countries.

State and
Local
Government:

- o Director of the U. S. Technical Assistance Program ("Flying Feds"), for the purpose of helping governors, mayors and county officials improve decision-making organizations and processes. (1968-73).
- o Vice Chairman of a school board.

EDUCATIONAL
EXPERIENCE:

Professor of Economics, Business Administration and Public Administration at George Washington University, University of Maryland, Loyola College, 1965-76.

Deputy Director Master of Business Administration and Master of Public Administration programs, U. S. Air Force Academy, 1963-64.

Associate Professor of Economics, U. S. Air Force Academy, 1963-64.

Assistant Professor of Management, U. S. Air Force Academy, 1959-61.

Instructor in Statistics, Marketing, Management and Accounting, University of Utah, 1955-57.

Professional writings have been published in professional journals (such as the American Economics Review), in public magazines (such as "The Washington Monthly"), and newspapers (such as "The New York Times") and many government publications.

Director of the Federal Program in Systematic Analysis conducted at Harvard, M.I.T., University of California (Irving) and the University of Maryland, 1968-71.

Member of the Board of Governors, U. S. Department of Agriculture Graduate School (20,000 students).

PERSONAL:

Born November 20, 1933 in Salt Lake City, Utah; wife, Renee, is writer and business manager; seven children from 6 to 21 years of age.

709/6172

December 1976

MICHAEL H. MOSKOW

MICHAEL H. MOSKOW

Mr. Moskow is presently serving as a full-time consultant to the Committee for Economic Development. In this capacity, he is directing the CED's project on Corporate Planning and Government and advising CED on current projects and activities.

Mr. Moskow left government service in January 1977 after serving in seven different government positions. His government assignments included: Under Secretary of Labor; Director of the Council on Wage and Price Stability; Assistant Secretary for Policy Development and Research for the Department of Housing and Urban Development; Assistant Secretary for Policy, Evaluation and Research for the Department of Labor; Deputy Under Secretary of Labor for Economic Affairs and Program Coordination; Executive Director, Construction Industry Collective Bargaining Commission; and Senior Staff Economist, Council of Economic Advisers.

Prior to entering government service, Mr. Moskow taught economics and directed the Bureau of Economic and Business Research at Temple University.

Born in Paterson, N. J. on January 7, 1938, he received an A. B. Degree in Economics from Lafayette College in 1959 and an M. A. and Ph.D in Economics from the University of Pennsylvania in 1962 and 1965.

Mr. Moskow has written seven books, including Teachers and Unions (1966), Collective Bargaining in Public Employment (1970), and Labor Relations In The Performing Arts (1970). He has had more than 20 articles published in professional journals.

He is married to the former Constance Bain of Woodmere, N. Y. The Moskows reside with their two sons, Robert and Eliot, and daughter, Lisa, in Washington, D. C.

SAMUEL L. POPKIN



DEPARTMENT OF POLITICAL SCIENCE (B-028)

LA JOLLA, CALIFORNIA 92093

BIOGRAPHY

SAMUEL LEWIS POPKIN

Associate Professor of Political Science

University of California, San Diego

La Jolla, California 92093

(714) 452-3548

Date of Birth: June 9, 1942

PREVIOUS POSITIONS

September 1973 - June 1975

University of Texas at Austin

Associate Professor of Government

September 1968 - June 1973

Harvard University

Assistant Professor of Government

Research Associate, Center for International Affairs

Research Associate, Center for Population Studies

September 1967 - June 1968

Yale University

Lecturer on Political Science

ACADEMIC DEGREES

B.S., Massachusetts Institute of Technology, 1963 (Mathematics,
Economics and Political Science)

Ph.D., Massachusetts Institute of Technology, January 1969
(Political Science)

MEMBERSHIPS

Editorial Board, American Political Science Review, 1973

Editorial Board, Public Policy, 1968 - 1973

Wisconsin Delegation, Democratic National Convention 1964
(alternate)

AWARDS

M.I.T. National Scholarship, 1959 - 1963
Woodrow Wilson Fellow, 1963 - 1964
Americans for Democratic Action National Freedom of the Press Award, 1973
Harvard University/Ford Foundation Travel Grant (Vietnam) 1970
Asia Society/Agency for International Development research grant, 1969

PUBLISHED WRITINGS and/or CREATIVE ACTIVITIES

Voting and Communications

"Toward an Investment Theory of Voting Behavior: What Have You Done for Me Lately" forthcoming American Political Science Review, September 1977, with John Gorman and Charles Phillips.

Candidates, Issues and Strategies, M.I.T. Press, 1964, with Ithiel de Sola Pool and Robert Abelson.

"Voter Response to Candidates, Issues and Strategies in the 1960 Presidential Election", in John M. Dutton and William M. Starbuck, Computer Simulation of Human Behavior, John M. Wiley, 1971, with Ithiel de Sola Pool and Robert Abelson.

"A Model of a Communications System", American Behavioral Scientist, May 1965.

"A Postscript on the 1964 Election", American Behavioral Scientist, May 1965, with Ithiel de Sola Pool and Robert Abelson.

"Crisis Level and Civil Defense Attitudes", Simulmatics Corporation, 1966.

Vietnam and Comparative Politics

The Rational Peasant: The Political Economy of Rural Society in Vietnam, in press, University of California Press

"Corporatism and Colonialism in Vietnam", Comparative Politics, 1975

"Internal Conflicts - South Vietnam", in Conflict in World Politics, Kenneth Waltz and Steven Spiegel, eds., Winthrop Press, 1971.

"American Policy in Southeast Asia", with George McTurnan Kahin, Conflict in World Politics, Kenneth Waltz and Steven Spiegel, eds., Winthrop Press, 1971.

Vietnam and Comparative Politics

"Village Authority Patterns in Vietnam", paper presented at meetings of Peace Research Society, 1969, published in Journal of Peace Research Society, 1969 and reprinted in Vietnam: Some Basic Issues and Alternatives, Walter Isard, ed., Schenkman, 1969.

"Political and Social Implications of Herbicide Usage in Vietnam", paper presented at the American Academy for the Advancement of Science panel on "Implications of the Use of Herbicides in Southeast Asia", December 1970.

Other Work

The City and the Force" An Analysis of the Boston Police Department, the Mayor's Task Force on the Police (editor and author).

Consultant: RAND Corporation, 1969 - 1971

Systems Analyst: Simulmatics Corporation, 1965 - 1967
(design and analysis of computer systems for education, housing and budgeting)

THE WHITE HOUSE
WASHINGTON

August 31, 1977

Stu Eizenstat -

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

Re: Meeting re Alaska Natural
Gas Negotiations 8/31/77 2 PM

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
/	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

2 PM

THE WHITE HOUSE

WASHINGTON

August 30, 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR TIM KRAFT

FROM:

JOANNE HURLEY

SUBJECT:

Meeting with the President
Alaska Natural Gas Negotiations
Wednesday, August 31, 1977 - 2:00 p.m.

2/3 U.S. 1/3 Can

There will be no briefing paper for this meeting.

PARTICIPANTS

The Vice President
Dr. James Schlesinger
Secretary Blumenthal
Charles Schultze
Les Goldman, Energy
James McIntyre, OMB
Ken Glozer, OMB
Roger Altman, Treasury
Stephen Bosworth, State
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Kitty Schirmer

Al Can

99¢ → 1.04

112

E/Pers

1.19

2 out subsidy

1.21

MCF M. rates

1.04

(Secretary Andrus was invited to attend, but he will be out of town)

1.45¢ tax → \$300 industry

2:00 p.m.
meeting

THE WHITE HOUSE
WASHINGTON

8/29/77

Stu & Tim

On Wednesday
set up meeting
(30 - 45 minutes) on
Canadian negotiations

Stu
Charles

J.C.

Jim

McIntyre

State Dept? Others?

Electrostatic Copy Made
for Preservation Purposes

~~Joseph Harry Dwyer~~

~~Starbird~~

FACT SHEET ON STATUS OF
CANADIAN NEGOTIATIONS

~~Bob Thorne~~
~~Energy Technology~~

cc: Stu
J

The negotiations with Canada have two major objectives:

- 1) maintaining a clear economic advantage of Alcan over El Paso
- 2) providing adequate assurances that this advantage would not be subsequently lost by time delays and additional hidden costs.

The NEB decision moved Alcan's advantage from that of clearly superior (\$0.99 vs. \$1.21 in 20 year average cost of service) to a much more modest differential (\$1.12 vs. \$1.21). Our goal has been to gain back much of that loss. It is assumed that an average cost of service of \$1.04 is a workable goal.

In pursuit of that goal, agreement with the Canadians appears near on the following points:

- o abandonment of the Dawson diversion in favor of the prime route
- o agreement to use a more fuel-efficient system design south of Whitehorse
- o inclusion in the legislative package of an assurance that there will be no relationship between the native claims settlement and the pipeline construction schedule or taxation
- o abandonment of the \$200 ^{Million} socioeconomic impact grant in favor of a more modest tax prepayment with interest
- o abandonment of the all-events tariff in favor of a more traditional tariff with no non-completion guarantees by consumers
- o acceptance of a variable rate of return for equity in the tariff structure to provide an incentive against cost overruns
- o provision for review and remedies concerning the potential overrun effects of the Canadian content requirement

If all the above items are in the final agreement, the negotiating objectives will have been achieved. This agreement will take the form of an "Agreement on Principles," signed by both countries. In that agreement there will also be a provision that no changes other than those specifically agreed upon can be levied by either government as a final insurance that all items have been covered.

The most difficult item at this time is the question of Yukon Territory taxation levels. Since there are no other pipelines in the Yukon, the recently ratified transit pipeline treaty's non-discriminatory tax section provides no assurance regarding exorbitant taxation. The limit of taxation that can be incurred is defined by the \$1.04 goal. If our projected cost overruns occur and a territorial tax is levied on gross plant, we can incur a rate of about 14 mills with a five percent annual escalation on gross asset value and stay on target. If there are no cost overruns, a rate of 20 mills would be possible. In both cases, the maximum tax in the first year would be \$30 million, and any prepayments for socioeconomic impacts would earn interest at 12 percent.

cc *Shu*

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

Revised August 26, 1977

**Electrostatic Copy Made
for Preservation Purposes**

August 22, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

SUBJECT: Comments on the (Undated) Schlesinger Memorandum
on Alaskan Natural Gas Transportation Systems

Three economic issues involved in your decision on an Alaskan Natural Gas Transportation System deserve special attention.

1. Is it necessary to designate an Alaskan gas route immediately?

According to the memo, there is a "compelling case for construction of one of the projects at the earliest possible time." Nevertheless, since a premature route designation in favor of Alcan could only harden the negotiating position of the Canadians, I recommend that a route not be designated until the negotiations with the Canadians are fully completed.

2. Financing

The memo rejects an all-events pipeline tariff or Federal financing guarantees. CEA is in full agreement with this position.

3. Pricing

While the memo and accompanying Staff Issue Papers discuss the subjects of wellhead pricing and pipeline tariffs, there is no discussion of how the Alaskan gas is to be priced to the user. This is the first time you will be faced with such a pricing decision on unconventional gas sources. Similar decisions may be required in the future for imports of Mexican natural gas, liquified natural gas (LNG), and domestically produced synthetic gas.

It is generally felt by economists that the current system of rolled-in consumer pricing has the potential for large inefficiencies. (Under rolled-in pricing, new high-cost gas is averaged in with old lower-cost gas.) Rolled-in pricing encourages wasteful demand patterns and excessive costs. Moreover, in the case of Alaskan gas, there would

be little incentive for cost overrun control. In the case of Mexican gas and LNG imports, rolled-in pricing would encourage the importation of high-cost gas and the outflow of additional American dollars -- since averaging the cost of the gas with old low-cost gas would ensure its marketability. (So-called "incremental pricing" under the National Energy Plan is, in reality, rolled-in pricing separately for high-priority and low-priority users. It helps us considerably to get industrial gas prices up, but it does not solve the incentive problem of rolling-in high priced gas.)

Given the potential for both inflation and inefficiency in the choice of rolled-in pricing, both CEA and the Council on Wage and Price Stability (CWPS) urge that rolled-in pricing not be adopted for any of the unconventional gas sources. Acceptable alternative approaches include either a ceiling placed on the import price or true incremental pricing. (Under incremental pricing, when high-cost gas is bought by a pipeline, a user must be found who will pay the high price.)

Given the importance and technical difficulty of this pricing issue in the Alaskan and other cases to come, I recommend that you ask a group to study the pricing question and make recommendations within three months. Such a group should be led by DOE and CWPS, with the assistance of OMB, CEA, and Treasury.

STAFF COMMENTS

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

29 August 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *R.H.*
SUBJECT: Staff Comments on Schultze Memo

1. Is it necessary to designate an Alaskan gas route immediately?

Eizenstat and McIntyre agree with Schultze. Stu adds that while no route should be designated until negotiations are complete, this principle should apply only to such major issues as routing, taxation policy, Canadian content, size of pipe and financing issues. Stu says Schlesinger agrees - no route should be designated until hard agreement is reached on these key points.

Congressional Liaison states that if the September deadline for decision on alternative routes is not met, the Congress will see this as a minor victory for the El Paso route. This could increase the pressure from Sen. Stevens and others to delay even further, and would protract one of the most expensive lobbying campaigns in history by private interests.

2. Financing

McIntyre agrees, but says that the issue is far from resolved by rejecting an all-events tariff or Federal financing guarantees. A Lance memo addressing this subject is being prepared.

3. Pricing

Eizenstat agrees that a working group should be formed to deal with the issue of pricing unconventional gas sources.

McIntyre states that ultimately, FPC's successor will decide the pricing approach. If the President wants to make a specific recommendation, it should be included in his proposal to Congress (scheduled for early September). Thus, a study group is not feasible. He agrees with the Schultze memo on the economics, but says that without rolled-in pricing, the Alaska pipeline probably cannot be privately financed. Thus, Alaskan gas should be

priced consistent with the policies of the National Energy Plan:

- higher priced new sources are priced incrementally up to a limit. Low priority customers (industrial users), if they want the gas, are required to purchase the higher cost gas.
- the cost to lower priority users would not exceed a limit which equals the price of petroleum distillate. When this limit is reached, then higher priced new gas ~~is~~ is allocated to higher priority users (residential/commercial).

THE WHITE HOUSE
WASHINGTON

8/29/77

Stu & Tim

On Wednesday
set up meeting
(30-45 minutes) on
Canadian negotiations

Stu
Charlie

J.C.

Jim

McIntyre

State Dept?

others?

THE WHITE HOUSE
WASHINGTON

Electrostatic Copy Made
for Preservation Purposes

Done

just for

file

9/2/77

THE WHITE HOUSE

WASHINGTON

Date: August 26, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Jack Watson *concur by phone*
Bert Lance *afforded*
Jim Schlesinger
Zbig Brzezinski

FOR INFORMATION:

The Vice President
Frank Moore

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Revision of Schultze memo dated 8/22/77 re Comments on the
Schlesinger memo on Alaskan Natural Gas Transportation
Systems.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Monday

DATE: August 29, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

W. D. Anderson
for review
MEMORANDUM

Date: August 24, 1977

FOR ACTION:

Stu Eizenstat
Jack Watson
Bert Lance
Zbig Brzezinski
Jim Schlesinger

FOR INFORMATION:

The Vice President
Frank Moore *ack*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Schultze memo dated 8/22/77 re Comments on the
Schlesinger Memo on Alaskan Natural Gas Transportation
Systems

*memo received
8-26*

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: Friday

DATE: August 26, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

*Incorporation of Schlesinger
comments; he has copy
but not signed by
Schlesinger*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required
material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
	/	MOORE
		POWELL
/		WATSON
/		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
/	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
/	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

August 25, 1977

Charlie Schultze

Enclosed is your memo
on Comments on the Schlesinger
memo on Alaskan Natural Gas
Transportation Systems for
revision.

Rick Hutcheson

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

August 22, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*
SUBJECT: Comments on the Schlesinger Memorandum on
Alaskan Natural Gas Transportation Systems

Three economic issues involved in your decision on an Alaskan Natural Gas Transportation System deserve special attention.

1. Is it necessary to designate an Alaskan gas route immediately?

According to the memo, there is a "compelling case for construction of one of the projects at the earliest possible time." The net national economic benefits estimates in the "Modified Case," however, indicate that each year of delay costs the nation approximately \$500 million. That amount must be compared against the possible gains from more careful negotiations with the Canadians. Shifting the cost of the Dawson extension (proposed solely for the benefit of the Canadians) to the Canadians, for example, would alone save over \$500 million according to the Schlesinger estimates. Additional concessions could be sought from the Canadians which could provide benefits well in excess of the costs of delay.

Therefore, if we thought some tough negotiations with the Canadians could save the U.S. significant amounts, a two month's or even a year's delay would be economic. Moreover, the economic advantages of the Alcan line over the El Paso route are, under the Schlesinger estimates, worth approximately 3 years of delay.

As a result, I recommend that a route not be designated until the negotiations with the Canadians are fully completed.

2. Financing

The memo rejects an all-events pipeline tariff or Federal financing guarantees. CEA is in full agreement with this position.

3. Pricing

An important issue that the memo does not address is how the Alaskan gas is to be priced. This is the first time you will be faced with a pricing decision on unconventional gas sources. Similar decisions may be required in the future for imports of Mexican natural gas, liquified natural gas (LNG), and domestically produced synthetic gas.

It is generally felt by economists that the current system of rolled-in pricing has the potential for large inefficiencies. (Under rolled-in pricing, new high-cost gas is averaged in with old lower-cost gas.) Rolled-in pricing encourages wasteful demand patterns and excessive costs. Moreover, in the case of Alaskan gas, there would be little incentive for cost overrun control. In the case of Mexican gas and LNG imports, rolled-in pricing would encourage the importation of high-cost gas and the outflow of additional American dollars -- since averaging the cost of the gas with old low-cost gas would ensure its marketability.

It appears that DOE will recommend rolled-in pricing of Alaskan gas. Given the potential for both inflation and inefficiency in this choice, both CEA and the Council on Wage and Price Stability (CWPS) urge that rolled-in pricing not be adopted for any of the unconventional gas sources. Alternative approaches include either a ceiling placed on the import price or incremental pricing. (Under incremental pricing, new high-cost gas is sold at its cost and is not averaged in with old low-cost gas.)

Given the importance and technical difficulty of this pricing issue in the Alaskan and other cases to come, I recommend that you ask a group to study the pricing question and make recommendations within three months. Such a group should be led by DOE and CWPS, with the assistance of CEA, OMB, and Treasury.

Date: August 24, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
 Jack Watson
 Bert Lance
 Zbig Brzezinski
 Jim Schlesinger

FOR INFORMATION:

The Vice President
Frank Moore

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Schultze memo dated 8/22/77 re Comments on the
 Schlesinger Memo on Alaskan Natural Gas Transportation
 Systems

YOUR RESPONSE MUST BE DELIVERED
 TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: Friday

DATE: August 26, 1977

ACTION REQUESTED:

☒ Your comments

Other:

*If we are going to meet the Canadian people
 we should decide soon - Bill
 Cable*

STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

*Senate hearing - If the September deadline is not
 met for decision on the alternative routes is not met,
 the delay will be perceived on Capitol Hill as a minor
 victory for the El Paso route. This could increase the
 pressure from Senator Stevens and other Senators to delay
 even further and would protect one of the most expensive
 lobbying campaigns in history by private interests.*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required
 material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

August 22, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

SUBJECT: Comments on the Schlesinger Memorandum on
Alaskan Natural Gas Transportation Systems

Three economic issues involved in your decision on an Alaskan Natural Gas Transportation System deserve special attention.

1. Is it necessary to designate an Alaskan gas route immediately?

According to the memo, there is a "compelling case for construction of one of the projects at the earliest possible time." The net national economic benefits estimates in the "Modified Case," however, indicate that each year of delay costs the nation approximately \$500 million. That amount must be compared against the possible gains from more careful negotiations with the Canadians. Shifting the cost of the Dawson extension (proposed solely for the benefit of the Canadians) to the Canadians, for example, would alone save over \$500 million according to the Schlesinger estimates. Additional concessions could be sought from the Canadians which could provide benefits well in excess of the costs of delay.

Therefore, if we thought some tough negotiations with the Canadians could save the U.S. significant amounts, a two month's or even a year's delay would be economic. Moreover, the economic advantages of the Alcan line over the El Paso route are, under the Schlesinger estimates, worth approximately 3 years of delay.

As a result, I recommend that a route not be designated until the negotiations with the Canadians are fully completed.

2. Financing

The memo rejects an all-events pipeline tariff or Federal financing guarantees. CEA is in full agreement with this position.

3. Pricing

An important issue that the memo does not address is how the Alaskan gas is to be priced. This is the first time you will be faced with a pricing decision on unconventional gas sources. Similar decisions may be required in the future for imports of Mexican natural gas, liquified natural gas (LNG), and domestically produced synthetic gas.

It is generally felt by economists that the current system of rolled-in pricing has the potential for large inefficiencies. (Under rolled-in pricing, new high-cost gas is averaged in with old lower-cost gas.) Rolled-in pricing encourages wasteful demand patterns and excessive costs. Moreover, in the case of Alaskan gas, there would be little incentive for cost overrun control. In the case of Mexican gas and LNG imports, rolled-in pricing would encourage the importation of high-cost gas and the outflow of additional American dollars -- since averaging the cost of the gas with old low-cost gas would ensure its marketability.

It appears that DOE will recommend rolled-in pricing of Alaskan gas. Given the potential for both inflation and inefficiency in this choice, both CEA and the Council on Wage and Price Stability (CWPS) urge that rolled-in pricing not be adopted for any of the unconventional gas sources. Alternative approaches include either a ceiling placed on the import price or incremental pricing. (Under incremental pricing, new high-cost gas is sold at its cost and is not averaged in with old low-cost gas.)

Given the importance and technical difficulty of this pricing issue in the Alaskan and other cases to come, I recommend that you ask a group to study the pricing question and make recommendations within three months. Such a group should be led by DOE and CWPS, with the assistance of CEA, OMB, and Treasury.

THE WHITE HOUSE

WASHINGTON

August 29, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT
KITTY SCHIRMER

Stu

SUBJECT: Schultze Memo Commenting on Schlesinger
 Memo on Alaska Natural Gas

I concur with Charlie's first point that no route should be designated until negotiations with the Canadians are complete. I would stress, however, that this principle should apply only to the major issues in the negotiations such as routing, taxation policy, Canadian content, size of pipe and financing issues. There are numerous details which cannot be sorted out until a route has been chosen. Minor details need not await the final completion of all negotiations. It is my understanding that Jim Schlesinger is in agreement that no route should be designated until we have reached a hard agreement with the Canadians on these key points.

Charlie raises an important point with respect to pricing of Alaska gas, and I concur with his recommendation that a working group should be formed to develop further options and analysis on pricing of unconventional sources of gas. We will work with Schultze and Schlesinger on this.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 26 1977

MEMORANDUM FOR RICK HUTCHESON
FROM: JIM MCINTYRE *gm*
SUBJECT: Comments on Schultze memo dated 8/22/77 on
Alaskan Gas Transportation System

A memo is being prepared for Bert's signature on this issue and will be ready early next week. With regard to the points raised in Dr. Schultze's memo, the following comments are offered.

1. Agree
2. Agree, but the issue of financing is far from resolved by an initial recommendation rejecting an all-events tariff or Federal financing guarantees. Bert's memo will address this issue in more depth.
3. Ultimately, FPC's successor will decide the pricing approach. If the President decides to make a specific recommendation, it should be contained in the proposal he sends to Congress now scheduled for early September; therefore, a study group does not appear feasible. On the economics, I agree with the Schultze memo; however, without rolled-in pricing, the Alaska gas pipeline probably can't be privately financed. It appears to me that the Alaskan gas should be priced consistent with the policies included in the National Energy Plan which are:
 - higher priced new sources are priced incrementally up to a limit. Low priority customers (industrial users), if they want the gas, are required to purchase the higher cost gas.
 - the cost to lower priority users of higher priced gas would not exceed a limit which equals the price of petroleum distillate. When this limit is reached, then higher priced new gas is allocated to higher priority users (residential/commercial).

Any questions, please advise.

EXECUTIVE OFFICE OF THE PRESIDENT
ENERGY POLICY AND PLANNING
WASHINGTON, D.C. 20500

August 30, 1977

MEMORANDUM FOR: RICK HUTCHESON
FROM: FRANK R. PAGNOTTA *FR*
SUBJECT: Revision of Schultze Memo Dated 8/22/77
Re: Comments on the Schlesinger Memo on
Alaska Natural Gas Transportation Systems

Attached is Secretary Schlesinger's comments regarding the revision of the Schultze memo. Please note that the memorandum provided by the Secretary dealing with the same subject to the President is an old memorandum that is being commented on by Charles Schultze. Hence, we suggest you make note of the more recent memorandum sent to the President by Mr. Schlesinger on August 22 (copy attached).

Attachment

*File
received
too late*

THE WHITE HOUSE

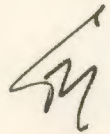
WASHINGTON

August 29, 1977

MEMORANDUM FOR: RICK HUTCHESON

FROM: JIM SCHLESINGER

SUBJECT: Revision of Schultze Memo Dated 8/22/77
re: Comments on the Schlesinger Memo on
Alaska Natural Gas Transportation Systems



Point one in the attached memorandum outlines a negotiating strategy which has in fact been the Administration's approach. No route will be designated, or decision made, until we have reached agreement with the Canadians on all relevant issues associated with any joint project. It now appears such agreement may be possible by the end of this week.

As to point three, under the National Energy Plan -- which is expected to become law at approximately the same time the Congress would approve the Alaska gas decision -- a modified incremental pricing approach is established. This approach would allow the higher cost Alaska natural gas and all other supplemental gas supplies to be passed on to lower priority industrial users until the price they pay equals the world price of distillate, or approximately \$3.30 per Mcf. At that point, the excess cost of such gas then is flowed through to residential and small commercial consumers.

This modified incremental approach in the NEP will achieve almost the same efficiencies as the strict incremental pricing provisions proposed by CEA, since low priority users are those with higher price elasticities. While it could be argued that the CEA provision would be somewhat more efficient, it would require far more administrative overburden in its implementation. Furthermore, it would require Federal legislation limiting states rights to an even greater degree than the NEP pricing provisions.

Identification of a process for resolving Alaska natural gas pricing should be undertaken prior to the Presidential decision so that this important policy recommendation can be included within the decision. Financing and sales contract negotiations will be dependent on resolution of the pricing question. Because of the need to resolve this question as soon as possible, a three month study, perhaps leading to separate, new Alaska gas pricing legislation, may not be the best approach in view of the flexible process for administratively resolving this matter that is available in the National Energy Plan. This pricing formula encompasses a broad range of wellhead and pipeline pricing options that can be implemented in a far shorter period with a greater degree of certainty than a new legislative initiative.

Over the course of the next week, a series of meetings with CEA and others have been scheduled to see if the Alaska natural gas pricing issue, or at least the identification of a pricing process, can be resolved prior to the President's decision.

THE WHITE HOUSE
WASHINGTON

August 22, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER

SUBJECT: Attached Staff Issue Papers and an Update
on Alaskan Gas Pipeline Negotiations

Staff Issue Papers

Attached are the Staff Issue Papers mentioned in last week's Memorandum. They provide detailed background analysis of the issues underlying your decision. The issues covered include:

- the importance of Alaskan gas;
- a systems comparison of the Alcan and El Paso projects;
- options for determining a wellhead price for Alaska gas;
- the outlook for obtaining private financing;
- the regional distribution of the gas; and
- the degree and kind of Federal involvement once a project is undertaken.

Canadian Negotiations

The meeting with the Canadians in Ottawa last Wednesday moved us closer to agreement in several critical areas. A follow-up meeting of the same staff coordinating groups is scheduled for this Tuesday in Washington, with a Ministerial visit to follow this coming Friday in Washington between myself and Allan J. MacEachen, President of the Privy Council and Prime Minister Trudeau's designee to handle the pipeline issue.

I believe that it may be desirable to reserve some time on your schedule later in the day on Friday in the event that a short meeting with MacEachen proves useful.

Significantly, the Canadians have indicated their willingness to enter into an intergovernmental agreement, prior to any Presidential decision, which would set forth the basic elements of each country's commitment to the other. This intergovernmental agreement on principles will cover matters such as the level of taxation, settlement of native claims, expedited approval of project permits, limitation on judicial challenges, tariff structures and a broad range of other issues necessary to a cooperative effort by both countries.

Progress can also be reported on the following key issues:

1. Fuel Efficiency Problem

Shipment of the full Canadian and American gas volumes in the Alcan pipeline would cause serious fuel inefficiencies. Our negotiations produced a consensus that these inefficiencies can be eliminated by constructing a more efficient pipeline system south of the Canadian interconnect. A slightly thicker walled 1680 pounds-per-square-inch (psi) pipeline would replace the present 1260 psi pipeline, and could vastly increase fuel efficiency at full volumes. This change would save both countries about 5 cents to 7 cents per mmbtu on the cost of service and makes a major contribution toward moving Alcan back to a clear-cut cost of service advantage over El Paso.

The Canadians expressed a concern that there continue to be technical uncertainties associated with the more efficient 1680 psi line, and have requested we investigate the possibility of looping. Looping--which increases throughput capacity by building a parallel pipe--is substantially more efficient than the 1260 psi pipe alone, but is more capital intensive than a 1680 psi line and therefore more costly. The DOT believes the 1680 psi line is technically feasible, but all parties agree that some further testing will be necessary.

The final resolution of this matter may require a joint testing commission from both nations to certify the 1680 psi approach. In any event, this critical matter appears well on the way to resolution.

2. Dawson Diversion

The Canadians' continued support for the Dawson Diversion seems to be based on the symbolic importance of a U.S. pipeline route diversion that appears to advance Canadian energy interests.

It was stressed that this country should not incur \$540 million in added costs for a pipeline that may never be needed if the Dempster lateral bringing Canadian gas into the pipeline is not built (see attached map). After lengthy discussions, the Canadians appeared willing to consider a proposal that would cost us far less while protecting their political interests. In return for construction of the original Alcan route, the U.S. would agree to pay some amount (perhaps 50 percent) of the Whitehorse to Dawson link if and when the Dempster lateral from the Delta is built.

This compromise has substantial advantages for the U.S.:

- it saves the full \$540 million cost at the front end, as well as the additional \$110 million it would require in the future to make the Dawson to Whitehorse link capable of carrying additional Canadian gas;
- it saves the interest that would have been carried on the \$540 million prior to construction of any Dempster lateral; and
- it limits our potential liability to a fixed portion of the estimated \$550 million expenditure for the Whitehorse to Dawson extension; a liability which arises if, and only if, the Dempster lateral is built.

The Canadians, on the other hand, will still be able to point to a U.S. agreement that subsidizes a pipeline link to the Delta.

Just by saving the \$650 million in total capital costs and associated interest charges, we would reduce by more than half the 4 cent to 5 cent impact on cost of service of the proposed Dawson Diversion, even if we

agreed to pay 100 percent of the cost of the Dawson to Whitehorse link.

There are indications that the Canadians will accept this approach. Our negotiations in the coming days will stress either a 50-50 formula approach or a flat dollar-amount limitation on this contingent liability of approximately \$200 million.

3. Socioeconomic Impact Payment

The Canadians are willing to recast the \$200 million socioeconomic impact payment required by the Canadian NEB into the form of a front-end impact assistance loan, to be repaid from taxes levied on the project in the impacted Yukon territory.

The amount of tax levied in the Yukon thus becomes the critical issue. The Canadians have indicated that a tax structure similar to that applied by the State of Alaska to the Alyeska pipeline is appropriate.

We have indicated that in view of Alaska's population of 450,000, compared to the Yukon's 22,000, such an Alaska tax approach is unacceptable. One of the major points of discussion at the Tuesday meeting will be resolution of the Yukon tax levels and the amount of the front-end loan. We expect to reduce that amount below \$200 million and agree to a tax system closer to that of the other Canadian provinces rather than to Alaska's.

4. Lysyk Delay Recommendation

The Canadians are willing to allow construction in the Yukon to commence on January 1, 1981, rather than the August 1, 1981, date recommended by the Lysyk Commission. For all practical purposes, this eliminates any potential delay that this recommendation may have caused.

In view of the progress at our Wednesday discussions, it would appear possible to recover most of the cost of service loss that resulted from the NEB and Lysyk decisions. This would give Alcan a cost of service clearly superior to that of El Paso.

I would hope to be able to work out the final details of a proposed agreement with Mr. MacEachen on Friday. Depending on how the discussion develops, it may make sense for him also to see you for several minutes. If necessary, I could also meet with him one more time next Monday, after which you and the Prime Minister may want to talk.

In view of the fact that a final agreement may not be reached until August 26 or 29, you may want to consider a one week delay from the September 1 deadline to allow for adequate preparation of a decision and report if you decide to designate Alcan. Since the Congress does not return until September 7, the one week delay will not affect Congress' expeditious consideration of any decision. If everything else is on track, it will probably be welcomed by the Canadians as an opportunity to help perfect the intergovernmental agreement on principles that will accompany a decision in favor of Alcan.

If for some reason agreement on Alcan cannot be reached by the end of this week, the extra week in September will probably be needed to evaluate the situation and complete a decision favoring El Paso if that is deemed desirable.

THE WHITE HOUSE
WASHINGTON

August 31, 1977

Charles Kirbo

The attached was returned
in the President's outbox
today and is forwarded to you
for your information.

Rick Hutcheson

cc: Tim Kraft

RE: BILL LYNCH
MEETING OF THE INTERNATIONAL
INDUSTRIAL CONFERENCE

THE PRESIDENT HAS SEEN.
LYNCH, VICTORY AND YOUNG
TELECOMMUNICATIONS PLANNING, PROCUREMENT AND MANAGEMENT

SUITE 500, THE HEARST BUILDING
SAN FRANCISCO, CALIFORNIA 94103
415/777-5678

2152 DUPONT DRIVE
IRVINE, CALIFORNIA 92715
714/752-8195

*Pres. Carter.
you told me on
you wanted to
to have ~~to~~ he
one night (1)*

August 25, 1977

Mr. Charles Kirbo
King and Spaulding
2500 Trust Company of Georgia Tower
Atlanta, Georgia 30303

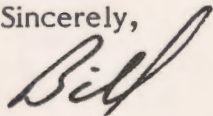
Dear Charles:

Pursuant to our telephone conversation today Anne Russell, my fiancée, and I are tentatively scheduling a trip back to Washington for the North American Telephone Association annual conference September 8, 9 and 10. My plans would be to fly back on a midnight plane the 6th and stay through the 9th. I would like to be up in Newport, Rhode Island on the weekend of the 10th to see if Ted Turner can successfully defend the Americas Cup.

We would hope that both our schedules would permit my stopping up in Atlanta on the way back on either Tuesday or Wednesday so that we might say hello. I would appreciate the opportunity to see Jimmy while I am in Washington.

Thanks so much for your assistance. I look forward to seeing you in the near future.

Sincerely,



Bill Lynch

WBL/rlk

Electrostatic Copy Made
for Preservation Purposes

*cc Kirbo, Kraft
Let Bill come by
to see me at Ov.
Office - Tim will
arrange as you
suggest to him
Jimmy*

THE PRESIDENT HAS SEEN.
The Coca-Cola Company

ATLANTA, GEORGIA

J. PAUL AUSTIN
CHAIRMAN OF THE BOARD

ADDRESS REPLY TO
P O DRAWER 1734
ATLANTA, GA. 30301
404-897-2121

August 26, 1977

Mr. Charles H. Kirbo
King & Spalding
2500 Trust Company Tower
Atlanta, Georgia 30303

Dear Charlie:

Once every four years The Conference Board joins forces with Stanford Research Institute for a meeting of the International Industrial Conference. The next meeting will be held in San Francisco on September 12-15 of this year.

There will be 600 Chief Executive Officers of major business enterprises around the world. About one-third of this number will be from the U.S. with the remaining coming from 73 different countries.

There is a banquet on Thursday night, September 15, where there will be an audience of twelve hundred plus in attendance (Black Tie). This would present an excellent opportunity for a major address by President Carter, particularly if he wants an international forum. There will not be a better occasion coming along for many months.

If you sound him out and he is favorably inclined, I can put the matter into official channels very easily.

Kind regards.

Sincerely,

Paul

JPA/ses Electrostatic Copy Made
for Preservation Purposes

*cc: Kirbo
I can't attend
J.C.
PS Thanks*

*Perhaps he &
Henry Ford can
give a lun
CK*

Pres. Carter